

Canada Business Corporations Act

beneficiaries because they do not meet certain tests that the directors feel should be met because they want to apply for some licences or get into some other activity. That is what I feel is grossly unfair in the government's approach in this bill.

The same attitude is taken in another text book entitled *Canadian Business Corporations*, edited by Pilkington and Prichard. At page 286 there appears the following statement:

Since directors and officers are entrusted with the management of the property and assets of the corporation, which in turn is owned by the shareholders, they are subject to fiduciary duties.

That is the essence of what we are talking about. It is not right, through a statutory provision, to allow those directors to literally defeat the fiduciary relationship they have been put in.

The reason that it is important that we persuade the minister to back off his intentions is that not only will it have consequences in Canada on Canadian investment—it may set a very nasty precedent that will be adopted in other statutes—but it is going to advertise to the world that Canada is no longer a country where you can have the economic freedom that people in the western industrialized nations have generally expected.

Mr. Blenkarn: He wants to make us a banana republic.

● (2120)

Mr. Stevens: It will put us in the position where investors from other countries, before they put their money at risk in Canada, will draw back and say that it is a rather peculiar country we have there. At least their government on occasion has empowered people literally to buy us out at some price to be determined by them, selling to some person to be determined by them, and from then on we will have no further rights other than to claim whatever money they deem to be appropriate with respect to our investment. How would you feel if you were thinking of making an investment in New York State or California and your lawyer told you that under certain circumstances you may be sold out with absolutely no control over the proceeds from your initial investment? That is what this minister is proposing.

These proposals are not only with reference to the resource field, as he says. He is proposing a basic change to the *Canada Business Corporations Act* which will affect any corporation which desires to be licensed under a federal or provincial act, and I have referred to some of them. They need to show a certain Canadian ownership level. That is what he is proposing. That is why I think it is time that we in the House said, "No, Mr. Minister. You may want to help your friends"—and we know the friend he is trying to help—"but you had better find another way rather than changing the whole corporate law of this country." In short, if he feels he has difficulty in allowing people to comply with whatever regulations he is putting in place with respect to Canadian ownership, that is his problem and his friends' problem. It should not only every federal company but, indirectly, every provincial company as well.

There was an interesting article entitled "A Survey of Economic Freedoms" written by Lindsay M. Wright, a

research associate with the Comparative Survey of Freedom. He discusses various aspects of democratic freedoms, including economic freedom. He points out:

In order to determine their personal and collective economic destinies, individuals and groups must be able to enjoy certain economic freedoms that protect them, within the limits determined by society, from arbitrary and illegitimate interference by others in their economic activities. The four basic economic freedoms considered below are (1) freedom to have property, (2) freedom of association, (3) freedom of movement, and (4) freedom of information, as these relate to economic activities.

Hon. members will note that the first one listed is freedom to have property. It is that freedom which we are taking away tonight if we agree to go along with the minister's suggestion that under certain circumstances property can be confiscated in the way he is proposing. Bear in mind that once you detract from economic freedom, you will have an equal deduction from political freedom. In short, this is something which must be resisted, and I only hope that members who feel there is already too much government encroachment in Canada, too much statism, will stand up and be counted on this issue. Thank you, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I could not help hearing the groans from my colleagues behind and around me as the hon. member who just spoke so well went on and on and on. It reminded me of a book I used to read in law school on company law. I suppose some of my colleagues can thank God they never went to law school.

In speaking to this bill I want first to deal with some remarks of the minister and then with some of the points made by the last speaker. I would then like to go into some of our detailed criticisms of the bill. The minister said a few minutes ago, "Increased ownership by Canadians means Canadian energy supplies will be secured for Canadian use". One has to ask, Mr. Speaker, increased ownership by whom, by how many Canadians? The answer is, by few Canadians, by shareholders. Most of the people in my riding do not own shares of companies. As a matter of fact, very few people in the country own shares, considering the total population.

In spite of the rhetoric about property rights we heard from the previous speaker, basically what the government proposes is a Canadianization program through private shareholders. That has been quite clear in the last few days in the House. It will be achieved by the PIP and COR programs, by giving \$6.5 billion in grants to private Canadian companies. So the question is, I suppose, if we give control to these shareholders, if we give ownership to these few Canadians, can we have energy security? That raises the question of whether they will act any differently from the way shareholders, directors and officers of oil companies have acted in the past, that is, foreign-controlled oil companies, because you will recall that this is a country which has let its oil industry be foreign-controlled to the extent of about 70 per cent or 75 per cent. No other OECD country would permit that, as the minister pointed out the other day.